taking on a greater workload. Mergers and acquisitions of insurance companies are also expected to continue to result in more downsizing of insurance carriers. Most job openings will result from the need to replace underwriters who transfer or leave the occupation, although several new job openings are being created for underwriters in the area of product development. These underwriters help set the premiums for new insurance products, such as in the growing field of long-term care insurance.

The best job prospects will be for underwriters with the right skills and credentials, such as excellent computer and communication skills, coupled with a background in finance. Job prospects may be better in health insurance than in property and casualty and life insurance. As Federal and State laws require health insurers to accept more applicants for insurance, the number of policies sold will increase. Also, as the population ages, there will be a greater need for health and long-term care insurance.

Because insurance is considered a necessity for people and businesses, there will always be a need for underwriters. It is a profession that is less subject to recession and layoffs than other fields. Underwriters who specialize, though, may have difficulty transferring to another underwriting specialty if downsizing were to occur.

Earnings

Median annual earnings of insurance underwriters were $38,710 in 1998. The middle 50 percent earned between $29,790 and $51,460 a year. The lowest 10 percent earned less than $23,750; while the top 10 percent earned over $77,430. Median annual earnings in the industries employing the largest number of insurance underwriters in 1997 were:

Medical service and health insurance	$40,000
Life insurance	39,800
Fire, marine, and casualty insurance	39,100
Insurance agents, brokers, and service	32,200

Insurance companies usually provide better than average benefits, including employer-financed group life, health, and retirement plans.

Related Occupations

Underwriters make decisions on the basis of financial data. Other workers with the same type of responsibility include auditors, budget analysts, financial advisers, loan officers, credit managers, real estate appraisers, and risk managers.

Sources of Additional Information

Information about a career as an insurance underwriter is available from the home offices of many life insurance and property-liability insurance companies. Information about careers in the property-casualty insurance field can be obtained by contacting:

☛ The Insurance Information Institute, 110 William St., New York, NY 10038. Internet: **http://www.iii.org**

Information on the underwriting function, in particular, and the CPCU and AU designation can be obtained from:

☛ The American Institute for Chartered Property and Casualty Underwriters, and the Insurance Institute of America, 720 Providence Rd., P.O. Box 3016, Malvern, PA 19355-0716. Internet: **http://www.aicpcu.org**

Loan Officers and Counselors

(O*NET 21108)

Significant Points

- Loan officer positions generally require a bachelor's degree in finance, economics, or a related field; training or experience in banking, lending, or sales is advantageous.

Loan officers obtain financial information from clients.

- Low interest rates will keep demand for loans high, causing employment of loan officers to grow about as fast as average; growth will be tempered by technology that makes these employees more productive.

Nature of the Work

For many individuals, taking out a loan may be the only way to afford a house, car, or college education. Likewise for businesses, loans are essential to start many companies, purchase inventory, or invest in capital equipment. *Loan officers* facilitate this lending by seeking potential clients and assisting them in applying for loans. Loan officers also gather information about clients and businesses to ensure that an informed decision is made regarding the quality of the loan and the probability of repayment.

Loan officers usually specialize in commercial, consumer, or mortgage loans. Commercial or business loans help companies pay for new equipment or expand operations; consumer loans include home equity, automobile, and personal loans; and mortgage loans are made to purchase real estate or to refinance an existing mortgage. In addition, banks and other lenders are offering a growing variety of loans. Loan officers must keep abreast of new types of loans and other financial products and services, so they can meet their customers' needs.

In many instances, loan officers act as salespeople. Commercial loan officers, for example, contact firms to determine the firms' demand for loans. If the firm is seeking new funds, the loan officer will try to persuade the company to obtain the loan from their institution. Similarly, mortgage loan officers develop relationships with commercial and residential real estate agencies, so when an individual or firm buys a property, the real estate agent might recommend contacting that loan officer for financing.

Once this initial contact has been made, loan officers guide clients through the process of applying for a loan. This process begins with a formal meeting or telephone call with a prospective client, during which the loan officer obtains basic information about the purpose of the loan and explains the different types of loans and credit terms that are available to the applicant. Sometimes, the loan officer assists the client in filling out the application and answers questions about the process.

After completing the forms, the loan officer begins the process of analyzing and verifying the application to determine the client's creditworthiness. The loan officer may request a copy of the client's credit history from one of the major credit reporting agencies, or in the case of commercial loans, she or he may request copies of the company's financial statements. Loan officers include this information and their written comments in a loan file, used to analyze the viability of the loan vis-à-vis the lending institution's requirements. At this point, the loan officer, in consultation with her or his manager, decides whether to grant the loan. If approved, a repayment schedule is then arranged with the client.

A loan that would otherwise be denied may be approved, if the customer can provide the lender with appropriate collateral—property pledged as security for the payment of a loan. For example, when lending money for a college education, the bank may insist that the borrower offer her or his home as collateral. If the borrower were ever unable to repay the loan, the borrower would have to sell the home to raise the necessary money.

Once the loan has been granted, *loan counselors*, also called loan collection officers, may need to contact borrowers with delinquent accounts to help them find a method of repayment to avoid default on the loan. If a repayment plan cannot be developed, the loan counselor initiates collateral liquidation, in which case the collateral used to secure the loan—a home or car, for example—is seized by the lender and sold to repay the loan. A loan officer can also perform this function.

Working Conditions

Working as a loan officer usually involves considerable travel. For example, commercial and mortgage loan officers frequently work away from their offices and rely on laptop computers, cellular phones, and pagers to keep in contact with their offices and clients. Mortgage loan officers often work out of their home or car, visiting offices or homes of clients while completing loan applications. Commercial loan officers sometimes travel to other cities to prepare complex loan agreements. Consumer loan officers and loan counselors, however, are likely to spend most of their time in an office.

Most loan officers and counselors work a standard 40-hour week, but many work longer, depending on the number of clients and the demand for loans. Mortgage loan officers can work especially long hours, because they are free to take on as many customers as they choose. Loan officers usually carry a heavy caseload and sometimes cannot accept new clients until they complete current cases. They are especially busy when interest rates are low, triggering a surge in loan applications.

Employment

Loan officers and counselors held about 227,000 jobs in 1998. Approximately half were employed by commercial banks, savings institutions, and credit unions. Others were employed by nonbank financial institutions, such as mortgage banking and brokerage firms and personal credit firms.

Loan officers are employed throughout the Nation, but most work in urban and suburban areas. In rural areas, the branch or assistant manager often handles the loan application process.

Training, Other Qualifications, and Advancement

Loan officer positions generally require a bachelor's degree in finance, economics, or a related field. Most employers prefer applicants who are familiar with computers and their applications in banking. For commercial or mortgage loan officer jobs, training or experience in sales is highly valued by potential employers. Loan officers without college degrees usually have reached their positions by advancing through the ranks of an organization and acquiring several years of work experience in various other occupations, such as teller or customer service representative.

The American Institute of Banking, which is affiliated with the American Bankers Association, offers correspondence courses and college and university classes for students interested in lending as well as for experienced loan officers who want to keep their skills current. The Mortgage Bankers Association's School of Mortgage Banking also offers classes, both classroom and Internet-based, for people involved in real estate lending. Completion of these courses and programs enhances one's employment and advancement opportunities.

Persons planning a career as a loan officer or counselor should be capable of developing effective working relationships with others, confident in their abilities, and highly motivated. For public relations purposes, loan officers must be willing to attend community events as a representative of their employer.

Capable loan officers and counselors may advance to larger branches of the firm or to managerial positions, while less capable workers—and those having inadequate academic preparation—could be assigned to smaller branches and might find promotion difficult. Advancement beyond a loan officer position usually includes supervising other loan officers and clerical staff.

Job Outlook

Employment of loan officers and counselors is expected to grow faster than the average for all occupations through 2008. Job growth will be driven by an increasing population, expanding economy, and low interest rates, which will lead to more applications for commercial, consumer, and mortgage loans. Growth in the variety and complexity of loans, coupled with the importance of loan officers to the success of banks and other lending institutions, should also assure employment growth. Although increased demand will generate many new jobs, most openings will result from the need to replace workers who leave the occupation or retire.

Employment growth will be tempered by several factors. First, refinancing of mortgages, a major contributor to the recent growth in the number of loan officers, is expected to diminish, because people who needed to refinance have already done so. Also, computers, underwriting software, and communication technologies are making loan officers more productive. They can now spend more time in the field with prospective clients, while still keeping in touch with the office. Also, qualifying applicants for loans is being made easier with computers performing much of the analysis. The Internet is also expected to slightly dampen the demand for loan officers, as a growing number of people apply for loans online.

Employment of loan officers is subject to the upturns and downturns of the economy. When interest rates decline dramatically, there is a surge in real estate buying and refinancing that requires additional loan officers specializing in mortgage financing. When the real estate market returns to normal, loan officers can be subject to layoffs. The same applies to commercial loan officers whose workloads increase during good economic times, as companies seek to invest more in their businesses. In difficult economic conditions, loan counselors are likely to see an increase in the number of delinquent loans.

Even in economic downturns, however, loans remain the major source of revenue for banks, so the fundamental role of loan officers will contribute to job stability. Moreover, because loan officers are often paid by commission, the bank may retain them simply by paying less compensation. As in the past, college graduates and those with banking, lending, or sales experience should have the best job prospects.

Earnings

Median annual earnings of loan officers and counselors were $35,340 in 1998. The middle 50 percent earned between $26,380 and $50,240. The lowest 10 percent had earnings of less than $20,990, while the top 10 percent earned over $82,270. Median annual earnings in the industries employing the largest number of loan officers and counselors in 1997 were:

Commercial banks	$36,400
Mortgage bankers and brokers	34,700
Savings institutions	34,700
Personal credit institutions	26,800
Credit unions	25,300

The form of compensation for loan officers varies. Most loan officers are paid a commission that is based on the number of loans they originate. In this way, commissions are used to motivate loan officers to bring in more loans. Some institutions pay only salaries, while others pay their loan officers a salary plus a commission or bonus, based on the number of loans originated. Banks and other lenders sometimes offer their loan officers free checking privileges and somewhat lower interest rates on personal loans.

According to a salary survey conducted by Robert Half International, a staffing services firm specializing in accounting and finance, residential real estate mortgage loan officers earned between $31,600 and $47,000 in 1998; commercial real estate mortgage loan officers, between $46,000 and $74,000; consumer loan officers, between $30,000 and $49,000; and commercial loan officers, between $38,400 and $85,000. Smaller banks ordinarily paid 15 percent less than larger banks. Loan officers who are paid on a commission basis usually earn more than those on salary only.

Related Occupations

Loan officers help the public manage financial assets and secure loans. Occupations that involve similar functions include securities and financial services sales representatives, financial aid officers, real estate agents and brokers, and insurance agents and brokers.

Sources of Additional Information

Information about a career as a loan officer or counselor can be obtained from:

☛ American Bankers Association, 1120 Connecticut Ave. NW., Washington, DC 20036. Internet: **http://www.aba.com**

☛ Mortgage Bankers Association of America, 1125 15th St. NW., Washington, DC 20005. Internet: **http://www.mbaa.org**

State bankers' associations can furnish specific information about job opportunities in their State. Also, individual banks can supply information about job openings and the activities, responsibilities, and preferred qualifications of their loan officers.

Management Analysts

(O*NET 21905)

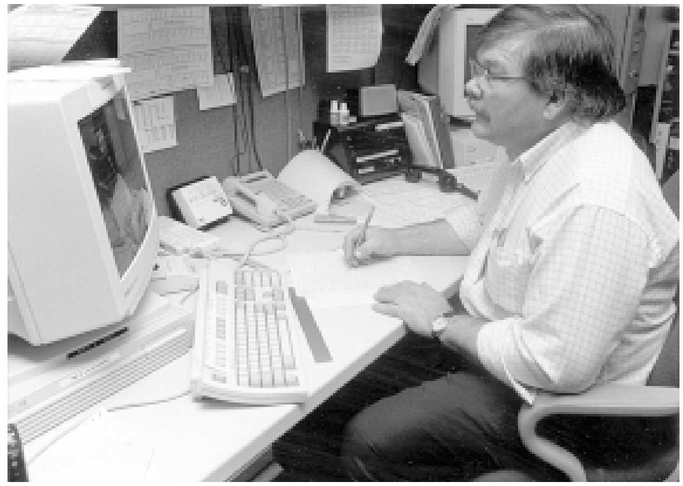
Significant Points

- Almost 55 percent are self-employed, about four times the average for other executive, administrative, and managerial occupations.
- Most positions in the private sector require a master's degree and at least five years of specialized experience.
- Despite projected faster than average employment growth, intense competition is expected for jobs.

Nature of the Work

As the business environment becomes more complex, the Nation's firms are continually faced with new challenges. Firms increasingly rely on management analysts help them remain competitive amidst these changes. Management analysts, often referred to as management consultants in the private sector, analyze and propose ways to improve an organization's structure, efficiency, or profits. For example, a small but rapidly growing company that needs help improving the system of control over inventories and expenses may decide to employ a consultant who is an expert in just-in-time inventory management. In another case, a large company that has recently acquired a new division may hire management analysts to help reorganize their corporate structure and eliminate duplicate or non-essential jobs.

Firms providing management analysis range in size from a single practitioner to large international organizations employing thousands of consultants. Some analysts and consultants specialize in a specific industry while others specialize by type of business function, such as human resources or information systems. In government, management analysts tend to specialize by type of agency. The work of management analysts and consultants varies with each client or employer, and from project to project. Some projects require a team of consultants, each specializing in one area. In other projects, consultants work



Management analysts and consultants propose ways to improve organizations.

independently with the organization's managers. In all cases, analysts and consultants collect, review, and analyze information, in order to make recommendations to management.

Both public and private organizations use consultants for a variety of reasons. Some lack the internal resources needed to handle a project, while others need a consultant's expertise to determine what resources will be required and what problems may be encountered, if they pursue a particular opportunity. To retain a consultant, a company first solicits proposals from a number of consulting firms specializing in the area in which it needs assistance. These proposals include the estimated cost and scope of the project, staffing requirements, references from a number of previous clients, and a completion deadline. The company then selects the proposal that best suits its needs.

After obtaining an assignment or contract, management analysts first define the nature and extent of the problem. During this phase, they analyze relevant data, which may include annual revenues, employment, or expenditures, and interview managers and employees while observing their operations. The analyst or consultant then develops solutions to the problem. In the course of preparing their recommendations, they take into account the nature of the organization, the relationship it has with others in that industry, and its internal organization and culture. Insight into the problem is often gained by building and solving mathematical models.

Once they have decided on a course of action, consultants report their findings and recommendations to the client. These suggestions are usually submitted in writing, but oral presentations regarding findings are also common. For some projects, management analysts are retained to help implement their suggestions.

Management analysts in government agencies use the same skills as their private-sector colleagues to advise managers on many types of issues, most of which are similar to the problems faced by private firms. For example, if an agency is planning to purchase personal computers, it must first determine which type to buy, given its budget and data processing needs. In this case, management analysts would assess the prices and characteristics of various machines and determine which best meets their department's needs.

Working Conditions

Management analysts usually divide their time between their offices and the client's site. In either situation, much of an analyst's time is spent indoors in clean, well-lit offices. Since they must spend a significant portion of their time with clients, analysts travel frequently.

Analysts and consultants generally work at least 40 hours a week. Uncompensated overtime is common, especially when approaching project deadlines. Analysts may experience a great deal of stress as a result of trying to meet a client's demands, often on a tight schedule.